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U.S. DISTRICT COURT
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DISTRICT OF UTAH
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JAMES VAUGHN AMMON a/k/a
JAMES VAUGHN SOTO,

Defendant.

INDICTMENT

Counts 1-4: 18 U.S.C. § 1347 (Health
Care Fraud)

Count 5: 18 U.S.C. § 1028A (Aggravated
Identity Theft)

Case: 2:20-cr-00106
Assigned To : Sam, David
Assign. Date : 2/27/2020
Description:

The Grand Jury alleges:

I. BACKGROUND

At all times relevant to this Indictment:

Defendant and his Company

1. Defendant JAMES VAUGHN AMMON a/k/a JAMES VAUGHN SOTO ("AMMON") was a resident of Salt Lake County, Utah.
2. ECO APOTHECARY LLC ("Eco Apothecary") and ECO PHARMACY LLC ("Eco Pharmacy") were registered as a limited liability corporations with the State of Utah with business addresses in South Jordan, Utah.
3. Eco Apothecary and Eco Pharmacy's primary business was providing prescription drugs to patients in need of medical care.

4. Defendant AMMON managed, controlled, and operated all aspects of Eco Apothecary and Eco Pharmacy from December 2016 to February 26, 2020.

The Medicare Program

5. Medicare was a health care benefit program, as defined in Title 18, United States Code, Section 24, which was designed to provide medical services, medical equipment and supplies to the elderly, blind and disabled beneficiaries pursuant to the Social Security Act (Title 42, United States Code, Section 301, et seq.). The Medicare program was and is administered by the United States Department of Health and Human Services (“HHS”), through its agency, the Centers for Medicare and Medicaid Services (“CMS”), formerly known as the Health Care Financing Administration (“HCFA”).

6. HHS was and is a Department of the United States with responsibilities pursuant to federal law for the funding, administration and supervision of certain health care benefit programs, including the Medicare program.

7. The Medicare program included coverage under four primary components, hospital insurance (“Part A”), medical insurance (“Part B”), advantage plans (“Part C”), and prescription drug benefits (“Part D”).

8. Part D of the Medicare Program covered the cost of prescription drugs, including those at issue in this Indictment.

9. Eco Apothecary and Eco Pharmacy were enrolled as pharmaceutical providers with Medicaid and Medicare Part D Plan Sponsors. An enrolled provider is permitted to submit claims to a Medicaid and a Medicare Part D Plan Sponsor for payment.

10. To receive reimbursement for a covered service from a Medicaid and a Medicare Part D Plan Sponsor, Eco Apothecary and Eco Pharmacy were required to submit a claim, either

electronically or using a form, containing the required information appropriately identifying the patient and services rendered.

**Counts 1-4
18 U.S.C. § 1347
(Health Care Fraud)**

11. All of the factual allegations set forth in this Indictment are incorporated by reference and realleged as though fully set forth herein.

II. THE SCHEME AND ARTIFICE TO DEFRAUD

12. Beginning in and around early 2016 and continuing to and around February 26, 2020, within the Central Division of the District of Utah and elsewhere,

**JAMES VAUGHN AMMON a/k/a
JAMES VAUGHN SOTO,**

defendant herein, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud a health care benefit program affecting commerce (to wit: Medicare and Medicaid) and to obtain by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody or control of, said health care benefit program in connection with the delivery of and payment for health care benefits, items, and services.

III. OBJECT OF THE SCHEME AND ARTIFICE TO DEFRAUD

13. It was the object of the scheme and artifice to defraud for defendant AMMON to unlawfully enrich himself by, among other things, submitting and causing the submission of false and fraudulent claims to Medicare and Medicaid and concealing and causing the concealment of the submission of false and fraudulent claims to Medicare and Medicaid.

IV. MANNER AND MEANS OF THE SCHEME AND ARTIFICE TO DEFRAUD

14. In execution and furtherance of the scheme and artifice to defraud, defendant AMMON did the following:

- a. Filed Medicaid and Medicare claims for drugs not dispensed to patients;
- b. Filed Medicaid and Medicare claims for larger quantities of drugs than were actually dispensed;
- c. Filed Medicaid and Medicare claims for dispensing drugs even though he did not have a valid prescription from a physician; and
- d. Fabricated and forged pharmacy licensing documents from the State of Utah.

15. On or about the date listed in each count below, in the Central Division of the District of Utah and elsewhere,

**JAMES VAUGHN AMMON a/k/a
JAMES VAUGHN SOTO,**

defendant herein, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program affecting commerce (to wit: Medicare and Medicaid) and to obtain, by means of materially false and fraudulent pretenses, representations, and promises; money and property owned by and under the custody and control of said health care benefit program, and did willfully cause said scheme, in instances including but not limited to each representative count below:

Counts	Date of Submission (on or about)	Form of Communication
1	04/28/2017	Electronic claim submission to Medicare to cover "Insulin Lispro Soln Pen-injector 100 Unit/ML (1 Unit Dial)" on behalf of patient J.S.
2	09/07/2019	Electronic claim submission to Medicaid to cover "CINACALCET 60MG" on behalf of patient A.W.

3	12/17/2019	Electronic claim submission to Medicare to cover "LANTUS SOLOSTAR" on behalf of patient H.A.
4	12/18/2019	Electronic claim submission to Medicare to cover "BASAGLAR INJ 100UNIT" on behalf of patient S.W.

All in violation of 18 U.S.C. § 1347.

Count 5
18 U.S.C. § 1028A
(Aggravated Identity Theft)

16. All of the factual allegations set forth in this Indictment are incorporated by reference and realleged as though fully set forth herein.

17. In and around November 27, 2019, in the Central Division of the District of Utah and elsewhere,

JAMES VAUGHN AMMON a/k/a
JAMES VAUGHN SOTO,

defendant herein knowingly attempted to and did, without lawful authority, transfer, possess and use a means of identification of another person, and did cause the same, to wit, the name and signature of "F.L." which are associated with an actual person, which defendant fraudulently used to make it appear that Eco Pharmacy had an active license with the State of Utah; during and in relation to a felony violation, to wit, Health Care Fraud in violation of 18 U.S.C. § 1347.

All in violation of 18 U.S.C. § 1028A(a)(1).

NOTICE OF INTENT TO SEEK FORFEITURE

Pursuant to 18 U.S.C. § 982(a)(7), upon conviction of any offense violating 18 U.S.C. § 1341, the defendants shall forfeit to the United States of America property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the scheme to

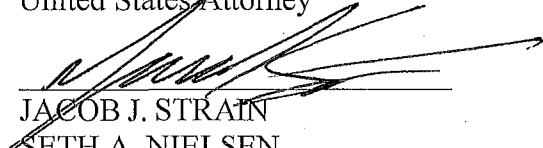
defraud. The property to be forfeited includes, but is not limited to:

- A money judgment equal to the value of any property not available for forfeiture as a result of any act or omission of the defendant(s) for one or more of the reasons listed in 21 U.S.C. § 853(p).
- Substitute property as allowed by 18 U.S.C. § 982(b) and 21 U.S.C. § 853(p).

A TRUE BILL:

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FOREPERSON OF THE GRAND JURY

JOHN W. HUBER
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